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SUPERFUND RECORDS

ANNUAL REPORT
KANSAS EXPLORATIONS, INC.

1936

A N N U A L R E P O R T

OF

KANSAS EXPLORATIONS INCORPORATED

JOPLIN, MISSOURI

1936.

Joplin, Missouri,
January 30, 1936.

Mr. Andrew Fletcher, Vice President,
Kansas Explorations, Inc.,
250 Park Avenue,
New York City, N.Y.

Dear Sir: -

I transmit herewith the Annual Report
of the Kansas Explorations, Inc., for the year
1936.

Respectfully submitted,

Ross Blatz

ANNUAL REPORT

KANSAS EXPLORATIONS, INCORPORATED.

1 9 3 6.

Kansas Explorations, Inc., did no operating, developing or pumping during the year 1936.

Day and night watchmen were on duty at the Jarrett and Ritz plants the entire year.

A sub lease was given for the retreatment of the sands and slimes in the old ponds at the Ritz Lease, the work of which was completed during November 1936.

LIST OF LEASES AS AT DECEMBER 31, 1936.

OPERATING UNITS

<u>Number</u>	<u>Name</u>	<u>Acres</u>	<u>State</u>	<u>Land Owner</u> <u>Royalty</u>
<u>JARRETT UNIT</u>				
973	Jarrett	240.0	Kansas	10%
<u>RITZ UNIT</u>				
921	Ritz	60.0	Oklahoma	12½%
<u>DARDENNE UNIT</u>				
974	Dardenne	40.0	Oklahoma	5% Tailings 10% Ore

PROPOSED UNITS

SNAPP UNIT

571	Snapp	40.0	Missouri	7½%
974	Gunning	280.0	Missouri	7½%
975	Gunning	160.0	Missouri	7½%
966	McReynolds	80.0	Missouri	7½%
964	Ragland	40.0	Missouri	7½%
977	Buckingham	140.0	Missouri	7½%
976	Buckingham	107.0	Missouri	7½%
978	(Wills)	80.0	Missouri	7½%
	Poundstone			
960	Cushman	<u>80.0</u>	Missouri	7½%
	Total Acreage	1007.0		

GENERAL EXPENDITURES

	1 9 3 6	
	Expenditures	
	<u>Amount</u>	<u>% Total</u>
Lease Prospecting Expense	-0-	-0-
Deep Drilling Area X	-0-	-0-
Deep Drilling Area Y	-0-	-0-
Shale Drilling Area X	-0-	-0-
Shale Drilling Area Y	-0-	-0-
Lease Acquisition	-0-	-0-
Lease Rentals	\$ 967.00	5.30%
Legal Expense	-0-	-0-
Bonuses	-0-	-0-
General Expense Explorations	-0-	-0-
Taxes Explorations	-0-	-0-
Electrical Prospecting	-0-	-0-
Snapp Property	-0-	-0-
 Total Lease Expense	 \$ 967.00	 5.30%
 Mine Development	 -0-	 -0-
Mine Plant	-0-	-0-
Cash Account	-0-	-0-
Accounts Receivable	54.27	0.35%
Warehouse Accounts	-0-	-0-
Drill Equipment	-0-	-0-
Fire & Tornado Insurance Prepaid	908.30	5.00%
Advanced Royalty Jarrett	1000.00	5.40%
Shut Down Expense	8798.01	48.50%
General Shut Down Expense	3707.74	20.50%
Employees Insurance Premiums	377.37	2.15%
Snapp Property Idle Expense	832.69	4.50%
Taxes Jarrett	381.66	2.15%
Taxes Robinson	30.87	-0-
Taxes Ritz	187.52	1.05%
Taxes Dardenne	50.87	.30%
Taxes Joplin Office	2.37	-0-
Taxes Snapp Tract	22.70	-0-
Robinson Concentrate Expense	254.60	1.50%
Ritz Concentrate Expense	15.00	-0-
Unemployment Taxes Accrued	94.53	0.50%
Dardenne Operating Expense	514.50	2.80%
 TOTALS	 \$18,200.00	 100.00%

Accounts Receivable on books at the close
of the year showed a balance of - \$ 11.00

Income for the year other than from concentrate
sales consisted of the following:

Discount Earned 50.49

Royalties Earned - Dardenne 443.24

Royalties Earned - Ritz sand & slime
operations 1308.48

Profits - Ritz sand & slime oper. 3164.05
4472.53

4472.53

Robinson Operations 17105.15
Return of Advanced Royalty - 39813.41
Robinson 56918.56

56918.56

TOTAL

\$61895.82

JARRETT LEASE

No operation or pumping during the year. Day and night watchmen were on duty throughout the year and made various repairs in maintaining the buildings.

Cost of Liability Insurance	\$213.65
Fire & Tornado Insurance	440.75
Watchmen & Misl. Labor	2653.49
Miscellaneous	605.44
	<hr/>
TOTAL	\$3913.33

ROBINSON LEASE

The Robinson Lease was operated by the American Zinc, Lead & Smelting Company continuously throughout the year. The base price paid for lead concentrates in January 1936 was \$47.00 to \$50.00 - for zinc concentrates \$31.00 to \$32.00. In the last week of December 1936 lead concentrates \$65.00 to \$70.00 - zinc concentrates \$34.00 to 35.00.

Following is a result of the operations during the year 1936: -

Tons Mined	114,539.
Tons Milled	112,257.
Tons Concentrates Produced - Zinc	8,801.11
Tons Concentrates Produced - Lead	344.72
Grade of Ore After Milling Oper. Zinc	7.62%
Lead	.31%
	7.89%
Total Cost per ton of Ore Mined	\$1.8067
Cost per ton of concentrates	\$22.63

Sales value per ton zinc concentrates -	
	31.92
per ton Lead concentrates -	
	56.09
Per Total Ton Concentrates	\$32.83

Tons Concentrates sold in 1936 - Zinc	9083.21
Lead	361.72
	<hr/>
	9444.93

Concentrate Bins empty as of December 31, 1936.

RITZ LEASE

No operations or pumping during the year. Day and night watchmen were on duty throughout the year and made numerous repairs in maintenance of buildings.

Shut Down Permits were obtained from the Indian Department for the year 1936 without cost.

Cost of	Liability Insurance	\$ 336.70
	Fire & Tornado Insurance	452.55
	Watchmen & Misc. Labor	3305.94
	Miscellaneous	<u>789.49</u>
	TOTAL	\$ 4884.68

During the early part of the year a sub lease on the Ritz sands and slimes was given to Henry E. Hoffman and H. D. Youngman at a royalty of 15% and one third of the net profits of the operation. Permission was given by the land owners and the Indian Department to retreat them over a mill belonging to Henry E. Hoffman and H. D. Youngman which was located on another tract of land - about $1\frac{1}{2}$ miles from the Ritz lease.

The retreatment of these sands and slimes began in the month of April and was completed in November 1936.

The income from the $2\frac{1}{2}\%$ royalty on the operation amounted to	\$1308.48
One third of the net profit of the operation	<u>3164.05</u>
Total income of Kansas Explorations, Inc. from above operation.	\$4472.53

Following is a record of the operation:

Tons of sands and slimes treated	67,196
Tons of zinc concentrates produced	
Table Ore	309.495
Float	<u>1443.785</u>
Tons of lead concentrates produced	8.57
Total tons concentrates produced and sold	<u>1,761.85</u>
Total mill recovery of tonnage treated-zinc	2.62%

DARDENNE LEASE

The Mary M Mining Company shut the mine down February 29, 1936 and have not resumed operations since that date. They recently informed me they expected to resume operations in the near future and had no intention of surrendering the lease at this time.

There have been rumors regarding a sale of the Mary M Mining Company to the Eagle-Picher Mining & Smelting Co.

Following is a record of the operations of the Mary M Mining Company on the Dardenne Lease during the year 1936:

Tons of ore mined and milled	2,306
Tons of concentrates produced -	
coarse zinc	109.635
Float zinc	<u>23.895</u>
	133.530
Lead	<u>3.135</u>
Total tons of concentrates produced	<u>136.665</u>

Income from 10% royalty on the above operation \$443.24

SNAPP TRACT

During the latter part of the year a suit brought by several Miami, Oklahoma attorneys in the name of the Snapp Heirs, to set aside a deed given by them to J. C. Barton came to trial in the Circuit Court at Joplin, Missouri. During the course of the trial the facts were brought out that one of the attorneys had financed and brought the suit against the Kansas Explorations, Inc. and claimed to have had an understanding or contract with the Snapp Heirs, in the event they won the suit, the Snapp Heirs were to give these attorneys a very favorable lease.

The trial consumed about four days after which the Circuit Judge asked that both sides file a brief in the case. These briefs were filed after the November term of court at Joplin, Missouri had adjourned and our attorneys advise that no decision will be given by the court in this case until the January 1937 term of Circuit Court.

LIABILITY INSURANCE

We have the following unsettled injury cases:

Missouri - one employee injured at the Isherwood Mine - total permanent disability.

Kansas - one employee injured at the Jarrett Mine - total disability.

Oklahoma - one employee injured at the Ritz Mine case has been settled and re-opened several times, now pending before the State Industrial Commission.